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C O N F I D E N T I A L BRASILIA 002339

SIPDIS

TREASURY FOR OFAC AND C.MEDINA
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E.O. 12958: DECL: 09/01/2015
TAGS: [PARM](#) [PREL](#) [MNUC](#) [KTFN](#) [EFIN](#)
SUBJECT: BRAZIL ON COMBATING WMD PROLIFERATION VIA
FINANCIAL INTELLIGENCE UNITS

REF: STATE 158275

Classified By: Economic Counselor Bruce Williamson, reasons 1.4
(b) and
(d).

11. (C) Post delivered reftel demarche to Gustavo Rodrigues of COAF (Brazil's financial intelligence unit), Luiza Lopes da Silva of the Ministry of External Relations' (MRE's) Office for the Combat of Illicit Transnational Activities and Santiago Morao of the MRE's Disarmament and Sensitive Technologies Division. Rodrigues responded enthusiastically to the points, noting that Brazil had presented a paper in the Nuclear Suppliers Group (NSG) context calling for the involvement of Financial Intelligence Units (FIUs) in tracking financial networks behind the trafficking of nuclear materials. The paper (document number NSG(05)24 dated March 29, 2005), was discussed at an NSG Oslo meeting in June, according to Rodrigues. The dialogue in the NSG context, Rodrigues said, was not extremely substantive as only two countries' delegations, Brazil's and Norway's, included representatives from their FIUs.

12. (C) While the GoB strongly supports the concept of using FIU's to combat WMD proliferation, Rodrigues noted that Brazil does not have domestic authority to freeze the assets of WMD proliferators. Rodrigues nevertheless undertook to conduct a search of COAF's own databases for transactions in the names of the proliferating entities enumerated in U.S. Executive Order 13882. He further undertook to coordinate with the Central Bank and the Brazilian Intelligence Agency (ABIN) a search of their respective databases. The Central Bank, he explained, has the capability to track the originator and destination for all foreign exchange transactions made through the formal banking system.

13. (C) Rodrigues acknowledged that, should these searches produce a hit, then the GoB would have to grapple with how to respond. Econoff reiterated that UN Security Council Resolution 1540 requires countries to combat proliferation and could form the legal basis for GoB action. Rodrigues took the point, but said it would take some time to implement the UNSC resolution (usually done via presidential decree). Instead, he said, if assets were found in this case, the Gob would have to find a creative solution, perhaps freezing the (theoretical) assets in response to a USG request through law enforcement channels.

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